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SUBJECT: A/S Shannon's November 30, 2006 meeting with Haitian PM Alexis

Ref: Port-au-Prince 2273

¶1. (U) November 30, 2006; 11:30 a.m.-12:15 p.m.; Intercontinental Hotel, Madrid, Spain.

¶2. (U) Participants:

U.S.

WHA A/S Thomas A. Shannon
USAID LAC A/A Adolfo Franco
WHA/CAR Director Brian A. Nichols (notetaker)
Stephanie Ragals, Interpreter

Haiti

Prime Minister Jacques-Edouard Alexis
Foreign Minister Jean Raynald Clerisme
Gabrielle Verret, Economic Advisor to the President
Yolette Azor-Charles, Ambassador to Spain

¶3. (SBU) SUMMARY. WHA A/S Shannon underscored the strong U.S financial and political commitment to Haiti's democratic transition to Haitian PM Alexis. Shannon explained the importance of completing the UN Stabilization Mission in Haiti's (MINUSTAH) transition from providing electoral security to creating a secure environment for development. He encouraged Alexis to deal firmly with security problems to lay the groundwork for growth. USAID LAC A/A Franco offered that the U.S. would sign and implement an \$81 million, five-year jobs program in December. PM Alexis welcomed U.S. assistance and participation in the Madrid Donors Conference. He cited improved governance and better security as his top priorities. He noted limited progress developing the police and disarming gangs. The Prime Minister complained that the GOH lacked the resources to reintegrate U.S. criminal deportees, and sought assistance to create targeted programs for them. Shannon and Franco stressed the U.S. legal requirement to expel criminal aliens and judged that donors and the GOH should address the deportee issue within the context of broader Administration of Justice reform. Presidential advisor Gabriel Verret sought U.S. help with the World Bank (WB) and Inter-American Development Bank (IDB) to ensure recent debt relief results in greater grant assistance to Haiti. Shannon and Franco encouraged the GOH to focus on improving the things within the GOH's control to facilitate investment, such as security and fighting corruption, rather than simply waiting for the possible passage of textile trade preference legislation in the U.S. END SUMMARY.

MADRID CONFERENCE

¶4. (SBU) WHA A/S Shannon and USAID LAC A/A Franco called on Haitian

Prime Minister Alexis on the margins of the Madrid Donors Conference for Haiti's Economic and Social Development on November 30. PM Alexis opened the meeting by thanking Shannon and Franco for attending the International Conference. PM Alexis considered the conference an excellent opportunity for the international community to recap the progress made since the Port-au-Prince meeting and plan the way forward. International Monetary Fund (IMF) and IDB meetings the previous week that Haiti qualified for Heavily Indebted Poor Countries (HIPC) debt relief represented real progress. Alexis stressed that the international community and the Haitian government must demonstrate tangible progress in Haiti. The Haitian people are quite patient, but that patience has neared its end and they want to see progress, especially on crime and security issues. The GOH has made progress on some of President Preval's priorities, but more remains ahead on his priority Social Appeasement Program. Alexis lamented that each donor approached assistance in a slightly different way, using different processes and metrics. Finding a more effective way to manage assistance and donor cooperation represented the GOH's ultimate goal in Madrid.

U.S. Assistance

¶5. (SBU) A/S Shannon replied that his and A/A Franco's presence in Madrid demonstrated the USG's political and financial commitment to take concrete measure to improve the situation in Haiti. The United States constantly sought ways to improve donor coordination and to ensure that Haitians feel the impact of our aid. Since President Preval's February election, the USG has encouraged donors to pursue several tracks. MINUSTAH has begun to change its focus from security for a successful election to facilitating security for

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development. That process will come to fruition after the December 3 local and municipal elections in Haiti. He continued that the USG has pressed donors to disburse more rapidly, noting that the U.S. had disbursed more than any other bilateral donor. A/A Franco amplified the point, stating the USG had disbursed over \$467 million of the \$600 million allocated to Haiti since 2004. The U.S. Ambassador to Haiti will sign an agreement with the Prime Minister to implement an \$81 million, five-year jobs program in mid-December. A/S Shannon explained that the U.S. had also worked to promote domestic and foreign investment in Haiti. The world cannot approach Haiti as business as usual.

Gangs, Security and Criminal Deportees

¶6. (SBU) Alexis acknowledged Haiti's institutional weakness and widespread corruption as major obstacles to development. Calling governance his top concern, Alexis said the GOH must combat impunity, overcome problems with the Haitian National Police (HNP), and improve the justice sector. The GOH has had positive results fighting gangs, about 100 have entered reintegration programs and some have given up guns. Shannon urged the Prime Minister to redouble GOH efforts, in concert with MINUSTAH, to improve the security situation and deal with armed gangs. Recalling a recent gruesome kidnapping and murder (reftel), Alexis asserted that criminals deported from the U.S. and Canada contributed significantly to crime and had joined kidnapping rings in Port-au-Prince. Alexis recognized that the GOH could not refuse to accept the deportees. He asked for U.S. assistance to create a reintegration program for deportees, including "one or two prisons or maybe a halfway house." A/S Shannon recalled similar concerns expressed by others in Central America and the Caribbean and stressed that the USG had a legal requirement to expel criminal aliens upon the completion of their sentence. A/A Franco joined Shannon in expressing sympathy for the difficult of the crime problem in Haiti, but noting that criminal deportees formed only one small part of a much large phenomenon that the GOH and donors should address as part of a large effort to improve the administration of justice.

¶7. (SBU) Economic Advisor Verret expressed concern that the \$7 million in U.S. budget support focused on education arrived late in the Haitian fiscal year. A/A Franco said the USG would again provide line item budget support for school supplies. Turning to debt relief, Verret opined that IDB debt relief as part of the U.S. initiative to eliminate debt for the poorest countries in Latin America and the Caribbean (including Haiti) might translate into only \$30 million in grant assistance plus an additional \$15 million in loans annually, less than its Haiti's current IDB assistance. Similarly, despite HIPC, the World Bank (WB) might limit Haiti's grant aid due to its low country performance criteria. Verret summed up the problem as the possibility that the two leading donors to Preval's stated assistance priorities, roads and education, could reduce their assistance significantly. A/A Franco replied that those within the IDB and WB, who work on Haiti, understood the problem and were working to resolve it. The USG would take its cue from them and follow up at more senior levels if necessary.

¶8. (SBU) Verret expressed guarded optimism that the U.S. Congress would pass the Haiti Opportunity through Partnership Empowerment act (HOPE) textile trade preference bill. Verret noted that President Preval remained willing to travel to Washington to lobby for HOPE's passage. Shannon and Franco strongly encouraged the GOH to focus on the things under its control to improve the investment climate, such as security and more efficient government operations. They noted that the Congress' legislative agenda remained uncertain, during the lame duck session.

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